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No. 01-1015

In the
Supreme Court of the United States

Victor Moseley & Cathy Moseley,
d.b.a. Victor's Little Secret
Petitioners,
v.
V. Secret Catalogue, et al.
Respondents.

On Writ of Certiorari to the United States Court
of Appeals for the Sixth Circuit

BRIEF OF MALLA POLLACK, *AMICUS CURIAE* SUPPORTING PETITIONERS

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INTEREST OF THE AMICUS CURIAE

Amicus Malla Pollack[1] ("Pollack") is a law professor specializing in intellectual property. She has no direct financial interest in the outcome of this litigation. Pollack has two interests in this case. As a consumer, she wishes to protect free competition because it increases choice and quality while decreasing prices. As a law professor, she fulfills her service duty by filing *amicus* briefs in support of the under-represented public domain. *See, e.g.*, David Lange, *Recognizing the Public Domain*, 44 (no. 4) Law & Contemp. Probs. 147, 176 (1981) (in view of collective action problems, requesting courts to appoint *guardians ad litem* for the public domain in intellectual property cases or, at the least, to welcome *amicus* participation).

AUTHORITY TO FILE

Counsel for petitioners and respondents have consented to the filing of this brief. The consent letters have been filed with the Clerk of the Court.

SUMMARY OF ARGUMENT

This Court granted *certiorari* to answer a question of statutory construction. Petitioners did not question the constitutionality of the Federal Trademark Dilution Act ("FTDA"). The FTDA, however, may violate both the First

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1. No part of this brief was authored by counsel for any party to this case. The cost of this filing has been paid in full by Malla Pollack.

Amendment and the "limited times" requirement of the Copyright and Patent Clause.[2] The FTDA's possible validity rests, in large part, on the requirement that an injunction be issued only if the junior user "causes dilution," 15 U.S.C. § 1125(c), actually produces unnecessary, economic harm to the alleged victim.

If this Court forces the statute into requiring injunctions on a mere inference of "likelihood of dilution," (1) the statute will become more constitutionally doubtful on its face, and (2) instances of possibly unconstitutional application of the statute will multiply.

Therefore, in this case, the rule that a statute should be construed according to its plain meaning is supported by two other strong cannons of statutory construction. First, the rule that statutes should be read to prevent raising doubts of their constitutionality. Second, the rule that, unless Congress has spoken with extreme clarity, statutes should not be read to approach the limits of Congress' power.

ARGUMENT

Amicus Malla Pollack ("Pollack") agrees with Petitioners that the plain language of the Federal Trademark Dilution Act ("FTDA") requires that the party requesting its extraordinary relief prove the existence of actual dilution-harm. *See* 15 U.S.C. § 1125(c)("causes dilution")(using

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2. U.S. Const. Art. I, Sec. 8, cl. 8 ("Congress shall have the power . . . To promote the progress of science and useful arts by securing for limited times to authors and inventors exclusive rights in their respective writings and discoveries."). The meaning of "limited times" is before this Court in Eldred v. Ashcroft, U.S. Sp. Ct. No. 01-618.

present tense). Pollack writes separately to emphasize that a contrary reading of the statute would needlessly increase constitutional problems.

I. Three Cannons of Statutory Construction Support the Actual Harm Requirement

First, a statute must be construed according to its plain meaning except in extraordinary conditions, which are not present here. *See* Dept. of Housing & Urban Dev. v. Rucker, 122 S. Ct. 1230, 1233 (2002) (relying on "plain language of the statute."). The plain meaning of 15 U.S.C. 1125(c) ("causes dilution") requires actual harm before an injunction is granted. Pollack leaves further statutory construction arguments to Petitioners.

Second, the actual harm requirement is supported by the rule of constitutional doubt. Respect for Congress requires the Court to refuse even "an otherwise acceptable construction of a statute" which raises "serious constitutional problems" whenever "an alternative interpretation of the statute is 'fairly possible.'" INS v. St. Cyr, 533 U.S. 289, 299-300 (2001)(citations omitted); Vermont Agency v. United States *ex rel* Stevens, 529 U.S. 765, 787 (2000) (same); Ashwander v. TVA, 297 U.S. 288, 348 (1936) (Brandeis, J., concurring) ("When the validity of an act of the Congress is drawn into question, . . . it is a cardinal principle that this Court will first ascertain, whether a construction of the statute is fairly possible by which the question may be avoided.")(citation omitted).

Third, the actual harm requirement is supported by the plain statement rule. A clear command is required when Congress nears the edge of its authority. *See St. Cyr*, 533 U.S. at 299 ("[W]hen a particular interpretation of a statute invokes the outer limits of Congress' power, we expect a

clear indication that Congress intended that result"; invoking "plain statement rule."). Without extremely clear statutory language, the Court will not assume "that Congress intended to infringe constitutional liberties or usurp power constitutionally forbidden it." DeBartolo Corp. v. Florida Gulf Coast Bldg. & Constr. Trades Council, 485 U.S. 568, 575 (1988)(invoking canon to prevent First Amendment question regarding "truthful[]" handbills).

As discussed below, abandoning the plain meaning of 1125(c) raises serious questions regarding its constitutionality under the First Amendment and will require courts repeatedly to handle difficult issues related to the Copyright and Patent Clause.[3]

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3. The constitutionality of dilution relief has been questioned repeatedly. *See, e.g.,* Syndicate Sales v. Hampshire Paper, 192 F.3d 633, 639 (7th Cir. 1999) (" [Defendant's] constitutional argument . . . is . . . not an insubstantial one," but has been waived); I.P. Lund Trading v. Kohler, Co., 163 F.3d 27, 53 (1st Cir. 1998) (Boudin, J., concurring) ("[I]t is a difficult constitutional question whether protecting the investment [in a famous trade dress] can ever outweigh the public interest in replication [demonstrated by the "limited times" provision of the Copyright and Patent Clause]."); L. L. Bean, Inc. v. Drake Publs., 811 F.2d 26, 33-34 (1st Cir. 1987) (holding Maine anti-dilution statute unconstitutional under First Amendment as applied to magazine article parodying L.L. Bean's catalogue); Robert C. Denicola, *Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols*, 1982 Wisc. L. Rev. 158, 206 ("The First Amendment will not permit the trademark owner the power to dictate the form, and thus

II. Removing the Actual Harm Requirement Raises Serious First Amendment Problems

This Court used intermediate scrutiny to probe a much narrower dilution statute for First Amendment infirmity. *See* San Francisco Arts & Athletics, Inc. v. United States Olympic Comm., 483 U.S. 522, 577 & n.16 (1987) ("SFAA") (using tests from United States v. O'Brien, 391 U.S. 367, 388 (1968), and Central Hudson Gas & Elec. Corp. v. Public Svc. Comm'n, 447 U.S. 557, 566 (1980)). Assuming *argunedo* the continued validity of *SFAA*, the Federal Trademark Dilution Act ("FTDA") may still violate

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the effectiveness, of another's speech simply because his trademark has been used to express ideas that he would prefer to exclude from the public dialogue"; criticizing dilution theory); Megan E. Gray, *Defending Against A Dilution Claim: A Practitioner's Guide*, 4 Tex. Int'l Prop. L.J. 205, 225 (1996) ("Arguably, application of the *Central Hudson* test results in the conclusion that dilution laws are unconstitutional [under the First Amendment.]."); Hugh Latimer & Karyn K. Ablin, *Stealth Patents: The Unconstitutionality of Protecting Product Designs under the Federal Trademark Dilution Act*, 90 Trademark Rep. 489, 511 (2000) (concluding that dilution protection of product designs is unconstitutional patent without time limitation); *see also* Sarah Mayhew Schlosser, *The High Price of (Criticizing) Coffee: The Chilling Effect of the Federal Trademark Dilution Act on Corporate Parody*, 43 Arizona L. Rev. 931 (2001) (discussing unpublished case in which a court granted a preliminary injunction under the FTDA while holding the First Amendment bared relief under trademark or copyright).

the First Amendment because of numerous differences between the statutes at issue. Furthermore, since *SFAA*, this Court has signaled greater concern with government interference with commercial speech. Yet none of the leading circuit cases on "causes dilution" analyzed the First Amendment implications of allowing relief for mere "likelihood of dilution."[4]

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4. *See* V Secret Catalogue v. Moseley, 259 F.3d 464 (6th Cir. 2001), *cert. granted*, 122 S. Ct. 1536 (2002) (No. 01-1015); Toro Co. v. ToroHead Inc., 61 U.S.P.Q.2d 1164 (TTAB 2001); Eli Lilly & Co. v. Natural Answers, Inc., 233 F.3d 456 (2000); Westchester Media v. PRL USA Holdings, 214 F.3d 658 (5th Cir. 2000) (discussing First Amendment only in relationship to likelihood of confusion standard as applied to book and magazine titles); Kellogg Co. v. Exxon Corp., 209 F.3d 562 (6th Cir. 2000); Times Mirror Magazines v. Las Vegas Sports News, 212 F.3d 157 (3rd Cir. 2000); Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208 (2d Cir. 1999); Avery Denison Corp. v. Sumpton, 189 F.3d 868 (9th Cir. 1999); Ringling Bros.-Barnum & Bailey Combined Shows v. Utah Div. of Travel Dev., 170 F.3d 449 (1999); I.P. Lund Trading v. Kohler Co., 163 F.3d 27 (1st Cir. 1998). *But see Hearing Before the Subcomm. on Courts, the Internet, and Intellectual Property, of the House Comm. on the Judiciary*, 107th Cong. 2d Sess. at 37 (Feb. 14, 2002; Serial No. 53) (hereinafter "2002 Hearings") (Letter Testimony by the American Civil Liberties Union) (asserting that the "likelihood of dilution" standard "would prohibit trademark use that is protected by the First Amendment."), *available at* <http://www.house.gov/judiciary/courts.htm> (link to "Committee Print," visited May 25, 2002).

SFAA involves Section 110 of the Amateur Sports Act, 36 U.S.C. § 110 ("Sports Act") in which Congress decided to protect in specified circumstances a few statutorily listed symbols held by one named organization. Compared to the Sports Act, the FTDA provides wider protection for a much larger set of marks. The FTDA, therefore, allows protection without requiring any of the limiting circumstances relied on by the Court to uphold the Sports Act.

First, Congress was presumed to have considered the specific symbols protected by the Sports Act. *See SFAA*, 483 U.S. at 539 ("Congress' judgment respecting a certain word is not so limited."). Congress certainly did not consider each potentially protected mark before passing the FTDA.[5] The FTDA provides dilution protection for any "famous" mark, registered or unregistered. Fame is judged during suit with the guidance of a vague list of statutory factors. *See* 15 U.S.C. § 1125(c)(1)(A)-(H). No registry of famous marks exists; would-be junior-users, therefore, have no clear notice

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5. *See Legislative Hearings on H.R. 1270, The "Madrid Protocol Implementation Act of 1995" and H.R. 1295, The "Federal Trademark Dilution Act of 1995" Before Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary*, 104th Cong., 1st Sess. (July 19, 1995), *available at* <http://www.hours.gov/judiciary/478.htm> (visited May 25, 2002); H. Rept. No. 104-374, *available at* <http://www.thomas.loc.gov> (visited May 28, 2002);141 Cong. Rec. H14317-18 (daily ed. Dec. 12, 1995), *available at* <http://thomas.loc.gov> (visited May 28, 2002); 141 Cong. Rec. S19306 (daily ed. Dec. 29, 1995), *available at* <http://thomas.loc.gov>, (visited May 28, 2002).

about the status of questionably famous marks.

Second, in *SFAA*, Congress was presumed to have found that "most commercial uses of the Olympic words and symbols are likely to be confusing." *SFAA*, 483 U.S. at 539. "The Government constitutionally may regulate deceptive or misleading speech." *Id.* at 535 n.12 (internal quotation marks and citation omitted).[6] The FTDA provides relief when no likelihood of confusion exits. *See* 15 U.S.C. § 1127 (defining "dilution" as occurring "regardless of the presence or absence of . . . likelihood of confusion, mistake, or deception").

Third, Congress was presumed to have found that the U.S. Olympic Committee's efforts created the value of the word "Olympic." *See SFAA*, 483 U.S. at 534 ("Congress could reasonably conclude that the USOC has distinguished the word "Olympic" through its own efforts."). Even the few cases already litigated have demonstrated that mark holders will attempt to reap sole benefit of others' efforts. For example, a representative of Polo by Ralph Lauren ("PRL"), testifying in favor of the likelihood of dilution standard, lamented that under that standard PRL would have won a dilution claim it lost under the actual dilution test,[7] referring to litigation over the single word "POLO," Westchester

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6. *See also* Thompson v .Western States Med. Center, 122 S. Ct. 1497, 1504 (2002) ("[A]s a threshold matter [we ask] whether the commercial speech concerns unlawful activity or is misleading. If so, then the speech is not protected by the First Amendment.").

7. *See 2002 Hearings,* at 14-15, 17, 18 (statement of Sherry L. Jetter, Vice President, Intellectual Property, Polo Ralph Lauren Corp).

Media Co. v. PRL USA Holdings, 103 F. Supp.2d 935, 981 (S.D. Tex. 1999)(stating that outcome turned on view that FTDA required actual dilution, not a likelihood of dilution), *aff'd in relevant part*, 214 F.3d 658 (5th Cir. 2000).[8] The Fifth Circuit recognized PRL's over reaching:

> PRL's claim [is] to police use of the "POLO" mark by the publisher of the [United States Polo Association]'s official magazine. PRL products became famous by basking in the reflected glow of an elegant sport. PRL now asserts that it, not the sport, is the source of the glow. . . . [W]e cannot be blind, when balancing the equities, to the fact that PRL is arrogating the very name of a sport from the players' publication. In a sense, PRL is biting the hand that fed it.

Westchester Media, 214 F.3d at 673.

Language is not private property. "[W]ords, because they are the common property of the human race, . . . are as little susceptible of private appropriation as air or sunlight. . . ." Holmes v. Hurst, 174 U.S. 82, 86 (1899) (internal quotations & citation omitted). The public's common ownership of words underlies the rule against assignment of trademarks in gross, and the need to prove secondary meaning when claiming trademark rights in descriptive

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8. PRL, furthermore, did obtain relief because it demonstrated likelihood of confusion. *See Westchester Media*, 214 F.3d at 668, 672-675 (affirming judgment of trademark infringement and remanding for reconsideration of appropriate remedy).

terms.[9]

Words have value and meaning before their use by trademark holders. The International Olympic Committee chose the word "Olympic" because of its history in ancient Greece. The Fifth Circuit recognized that PRL chose "polo" because that word conjured up a rich-man's sport. *See Westchester Media*, 214 F.3d at 673. Apple Computer uses a logo showing a fruit with one bite missing.[10] While "APPLE" is certainly "arbitrary"[11] as a mark for computers, the choice of this particular fruit is not random. Most American speakers of English presumably know about Johnny Appleseed, "an apple for the teacher," "an apple a day keeps the doctor away," "A is for Apple" when learning the alphabet, and that apples grow on the Tree of Knowledge in the center of the Garden of Eden. The *SFAA* Court recognized that someone needs to determine whether the mark holder is responsible for enough of a famous mark's power to justify limits on others' non-confusing speech. *See SFAA*, 483 U.S. at 534. The FTDA does not require either evidence or proof on this issue.

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9. *See* McCarthy on Trademarks and Unfair Competition § 18.01[2] (explaining rule against assignments in gross) (3rd ed.); *id.* at § 11.05 [3] (explaining need for secondary meaning).

10. U.S. Tmk. Reg. No. 1225776, *available at* <http://tess.uspto.gov> (visited May 28, 2002).

11. *See* McCarthy on Trademarks and Unfair Competition §§ 11.01, 11.02, 11.04 (explaining "arbitrary" and other strength-terms used for marks).

Fourth, the *SFAA* Court opined that Congress has a special interest in American participation in the international Olympic festival and providing means for the USOC to raise money to advance that participation. *See SFAA*, 483 U.S. at 537-38. No semi-public purpose supports the FTDA.[12]

Fifth, the Sports Act prevents use of the word "Olympic," only "for the purpose of trade, to induce the sale of any goods or services, or to promote any theatrical exhibition, athletic performance, or competition." 36 U.S.C. § 380, *as quoted in SFAA*, 483 U.S. at 527 n.4. The *SFAA* Court saw "no basis in the record [to fear] that the [Sports] Act will be interpreted or applied to infringe significantly on noncommercial speech rights." *Id.* at 536 n.15. This Court now has a firm basis for recognizing that the FTDA is interpreted and applied to infringe significantly on noncommercial speech rights.

The FTDA has a broader scope than the Sports Act. The FTDA reaches all "commercial use in commerce," 15 U.S.C. § 1125(c)(1)(first paragraph), but not "[n]oncommercial use of a mark," *id.* at (4)(C). "The word 'commerce' means all commerce which may lawfully be regulated by Congress." 15 U.S.C. § 1127.

As applied, the noncommercial use exception does not match the First Amendment concept of commercial speech. For the purposes of locating speech with somewhat limited First Amendment protection, "commercial speech" is

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12. Its advocates do not claim that the "likelihood of dilution" standard is mandated by some international agreement. *See 2002 Hearings*. Furthermore, a treaty does not override the First Amendment. *See* Boos v. Berry, 485 U.S. 312 (1988) (refusing to allow counselor treaty to permit limitation of First Amendment rights).

"speech proposing a commercial transaction, which occurs in an area traditionally subject to government regulation." Lorillard Tobacco Co. v. Reilly, 533 U.S. 525, 554 (2001). The FTDA's noncommercial use exception, however, does not limit dilution liability to "advertising or a sale of goods or services." Planned Parenthood Fed. v. Bucci, 42 U.S.P.Q.2d 1430, 1435 (S.D. N.Y. 1997) (denying "noncommercial use" defense to 1125(c)), *aff'd without op.*, 152 F.3d 920 (2d Cir.), *cert. denied*, 525 U.S. 834 (1998).

Despite alleged-dilutors' invocation of the "noncommercial use" exception, the FTDA has been used to impose limitations on "commercial use" outside the First Amendment's "commercial speech" category. The FTDA was held to reach a web site critical of the religious beliefs and proselytizing of Jews for Jesus because:

> [a]lthough the Defendant Internet site does not solicit funds directly like the defendant's site did in *Planned Parenthood*,[13] the Outreach Judaism Internet site

13. Planned Parenthood Fed. v. Bucci, 42 U.S.P.Q.2d 1430 (S.D. N.Y. 1997) (holding web site providing, without charge or obligation, the text of anti-abortion book diluted pro-abortion group's mark), *aff'd without op.*, 152 F.3d 920 (2d Cir.), *cert. denied*, 525 U.S. 834 (1998). The District Court denied a "noncommercial use" defense to the FTDA:

> I hold . .. that defendant's use of plaintiff's mark is "commercial" for three reasons: (a) defendant engaged in the promotion of a book, (2) defendant is, in essence, a non-profit political activist who solicits funds for his activities, and (3) defendant's

> (available through the hyperlink) does do so through the sale of certain merchandise.
>
> . . .
>
> The conduct of the Defendant also constitutes a commercial use of the Mark and the Name of the Plaintiff Organization because it is designed to harm the Plaintiff Organization commercially by disparaging it and preventing the Plaintiff Organization from exploiting the Mark and the Name of the Plaintiff Organization.

Jews for Jesus v. Brodsky, 993 F. Supp. 282, 308 (D.N.J.), *aff'd without op.*, 159 F.3d 1351 (3rd Cir. 1998) (footnote added). If Brodsky had posted disparaging opinions[14] about a

> actions are designed to, and do, harm plaintiff commercially.

Planned Parenthood, 42 USPQ2d at 1435.

14. The District Court quoted the following text from Defendant Brodsky's web site:

> Jews for Jesus?
> Are you interested in learning about Jews and Jesus?
> Want to know why one cannot believe in Jesus and be a Jew?
> . . .
> Click *here* to learn more about how the Jews for Jesus cult is founded upon deceit and distortion of fact. . . . This website is an independent project which reflects the personal opinion of its owner . ..

famous natural person, a "public figure," and these postings were likely to prevent that person from earning as much as he would otherwise, presumably the First Amendment would have prevented the District Court of New Jersey from enjoining his speech on that sole basis.[15] *See* Curtis Publ. v.

Jews for Jesus, 993 F. Supp. at 282 n.13 (emphasis in original). *See also* Gideons Int'l v. Gideon 300 Ministries, 94 F. Supp.2d 566 (E.D. Penn. 1999)(finding dilution of non-profit religious organization's mark by another nonprofit religious organization). The *Gideons* court rejected the defense of noncommercial use because:

> [b]y incorporating, raising money, and distributing goods and services [for free] to the consuming public [the homeless], Gideon 300 engages in commercial activity. Gideon 300's use of the United States mail to solicit contributions in interstate commerce is further, strong evidence of the enterprise's commercial character.
>
> Furthermore, the purpose of the [FTDA]'s noncommercial use exception was not to exempt not-for-profit corporations, but to protect parody, satire, editorial, and other forms of expression that are not part of a commercial transaction.

Id. at 588 (internal quotation marks and citations omitted).

15. *See also* Denicola, *supra* note 3, at 197-99 (likening constitutional limits on use of trademarks to constitutional limits on use of famous persons' names); Schlosser, *supra* note 3, at 959 (same).

Butts, 388 U.S. 130, 155 (1967) (plurality opinion) ("a 'public figure' who is not a public official may also recover damages for a defamatory *falsehood* . . . on a showing of highly unreasonable conduct . . .") (emphasis added).

The narrowness of the "noncommercial use" exception as applied is illustrated by the following hypotheticals. First, consider the "[a]lternative art rubber stamps for the easily amused!" sold by Lost Angeles Rubber Works ("LARW").[16] LARW is engaged in commerce. Its site offers rubber stamps for sale. Stamp 1902-B, offered for sale at $6.55, is reproduced below[17]:

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16. *See* <http://www.larubberworks.com/index.html> (visited May 30, 2002) (showing this slogan on firm's home page).

17. This image is reproduced without permission under a claim of fair use. *See* 17 U.S.C. §107. Lost Angeles Rubber Works © 2002. *See* <http://www.larubberworks.com/stmpt4.html> (visited May 30, 2002).

The cigarette box depicted bears an interesting resemblance to the box used by Lucky Strike®.[18] Hypothetically, we could increase the resemblance by slightly modifying the circle design and changing the brand name to "UNLUCKY STRIKES." Such a stamp would be quite useful for anti-smoking campaigns. For example, a school's parent organization could use the stamp to make invitations and decorations for the junior high school prom. If the cigarette manufacturer sues LARW under § 1125(c), LARW would not be able to claim non-commercial use on behalf of its intended customers. It would also be ineligible for the news reporting or comparative advertising exceptions.[19]

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18. *See* U.S. Tmk. Reg. No.0404302, (showing registration of design for use on "cigarettes and smoking tobacco" with first use in commerce 1871); *see also* U.S. Tmk. Reg. No. 0366744 (showing registration of circle design containing words "LUCKY STRIKE" for use on "cigarettes and smoking tobacco" with first use in commerce 1871); U.S. Tmk. Reg. No. 1956740 (showing registration of similar circle design for use on "men's and women's clothing" with first use in commerce 1993); U.S. Tmk. Reg. No. 0118372 (showing registration of word mark 'LUCKY STRIKE," with no limitation on style or color of lettering, for various types of tobacco products with first use in commerce 1883). All registrations available at <http://tess.upsto.gov> (visited May 30, 2002).

19. The only three exceptions from dilution liability read:
(4) The following shall not be actionable under this section:
(A) Fair use of a famous mark by another person in

Second, assume that American doctors of Arab descent decide to raise American consciousness of the Middle East by spreading information about Arab contributions to world culture during the Middle Ages. The doctors form "Arabian Culture, Inc. ("AC"), a non-profit corporation which does not solicit funds from non-members. Most members of AC believe that funds donated to the International Red Cross end up disproportionately in Israeli hospitals. As part of its awareness campaign, AC creates an Internet site which includes a picture of a defeated army of Crusader-knights being treated by persons in traditional Arab robes. The knights are bleeding; their blood forms a large pool shaped to match the Greek-cross insignia of the International Red Cross.[20] The AC site does not itself ask for

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comparative commercial advertising or promotion to identify the competing goods or services of the famous mark.
(B) Noncommercial use of a mark.
(C) All forms of news reporting and news commentary.
15 U.S.C. § 1125(c)(4)(A), (B), (C).

20. Conceivably this use might violate 18 U.S.C. § 706 (June 25, 1948, c. 645, 62 Stat. 732), which criminalizes both fraudulent impersonation of a Red Cross worker and "[w]hoever . . . uses the emblem of the Greek red cross on a white ground, or any sign or insignia made or colored in imitation thereof or the words "Red Cross" or "Geneva Cross" or any combination of these words . . . " I was unable to locate any reported American case relying on 18 U.S.C. § 706 in comparable circumstances. *Compare e.g.*, Stanley Labs. v. FTC, 138 F.2d 388, 389 (9th Cir.

donations of any kind or offer merchandise for sale. However, it has hyperlinks to the re-election committees of several pro-Palestinian Congresspersons. These re-election sites allow visitors to donate on-line by approving charges to their credit cards. The AC site also links to bookstores specializing in relevant history books. The Red Cross sues AC for dilution of its famous cross-logo.

Under the analysis used in *Planned Parenthood*, and *Brodsky*, the AC's site forfeits the "noncommercial use" exception because it links to several sites requesting donations or offering books for sale. Since AC's site deals only with facts about the Middle Ages, it does not seem to qualify for the news exception, § 1125(c)(4)(C). AC's site is not engaged in comparative commercial advertising, the only other exception, § 1125(c)(4)(A).[21]

1943) (enforcing Federal Trade Comm. cease and desist order baring "use of the letters 'M.D.', either alone or in conjunction with the pictorization of a doctor, nurse, or cross, in connection with a medicated douche powder" because such pictorization "is deceptive in that it tends to lead the public to believe that the powder is endorsed by the medical profession or by the American Red Cross"; relying on Federal Trade Comm. Act, 15 U.S.C. § 41 *et seq*.).

21. A distortion of a pictorial mark may never be allowable "[f]air use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark," 15 U.S.C. § 1125(c)(4)(A). *See* Deere & Co. v. MTD Prods., Inc., 41 F.3d 39 (2d Cir. 1994) (affirming, under New York law, an injunction against

If all solicitation of funds is outside the "noncommercial use" exception, even sites by the Democratic National Committee, the Republican National Committee, or committees formed to elect specific political candidates are outside this exception. In ordinary language, these sites are also outside the "comparative advertising" exception. Are they within the exception for "[a]ll forms of news reporting and news commentary"[22]? Most presumably are, but "news" is arguably narrower than "politics." An Internet site or campaign flyer discussing only a candidate's personality or early life is not within the ordinary meaning of "news." All the uses mentioned in this paragraph, however, are core political speech worthy of the strongest First Amendment protection.

The need to prove actual dilution should prevent suits similar to the above hypotheticals from becoming more than mere nuisances.

Finally, *SFAA* was decided on the assumption that "commercial speech receives a limited form of First Amendment protection." *SFAA*, 483 U.S. at 535 (internal quotation marks and citations omitted). More recent cases have suggested that First Amendment protection of commercial speech is not as limited as previously believed.[23]

MTD television commercial implying superiority of MTD's products by using a humorous cartoon based on Deere's logo).

22. 15 U.S.C. § 1125(c)(4)(C).

23. *SFAA*'s leading authority for the limited protection of commercial speech is Posadas de Puerto Rico Ass'n. v.

See Thompson, 122 S. Ct. at 1507 (emphasizing requirement that Government prove "that the regulation directly advances [it's substantial] interest and is not more extensive than necessary to serve that interest" while holding advertising limitations unconstitutional) (internal quotation marks and citations omitted); *Lorillard*, 533 U.S. at 561 (terming the "fit" between means and goals the "critical inquiry") (internal quotation marks and citations omitted); *see also Thompson*, 122 S. Ct. at 1504 (admitting that some members of the Court "have expressed doubts about the *Central Hudson* standard," and implying that Court is now being stricter in applying that test, "*Central Hudson* as applied in our more recent commercial speech cases, provides an adequate basis for decision") (emphasis added; citations and internal quotation marks omitted).

In summary, the First Amendment status of the FTDA is unclear. This legislation is only sustainable if its "incidental restrictions on First Amendment freedoms are [not] greater than necessary to further a substantial governmental interest." *SFAA*, 483 U.S. at 536 (quoting *O'Brien*). The only government interest supporting the FTDA seems to be protecting one set of private property from erosion through otherwise lawful, non-fraudulent, non-confusing speech. If this Court weakens the harm requirement to mere "likelihood of dilution," the FTDA becomes even more questionable under First Amendment

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Tourism Co., 478 U.S. 328, 340 (1986). *See SFAA*, 483 U.S. at 535. This Court has since recognized that *Posadas* applied the review standard in a uniquely lax manner. *See* Greater New Orleans Broad. Ass'n v. United States, 527 U.S. 173, 182 (1999).

principles. "[A] government body seeking to sustain a restriction on commercial speech must demonstrate that the harms it recites are real . . . " *Lorillard*, 533 U.S. at 555 (citations omitted; emphasis added). This Court should enforce Congress' plain requirement of real dilution.

III. Removing the Actual Harm Requirement Raises Potential Issues Under the Copyright and Patent Clause

The Constitution prevents Congress from giving "authors" or "inventors" rights to "exclude" the public from use of copyrightable or patentable subject matter for longer than "limited times."[24] Trademarks are not required to be copyrightable or patentable subject matter. The Trademark Cases, 100 U.S. (18 Otto) 82, 94 (1879) (holding that statute protecting use-based trademarks is outside Congress' Copyright and Patent power because such marks are neither "writings" nor "discoveries.").

Many current trademarks, however, are copyrightable subject matter, having the requisite "minimal level of creativity." Feist Publ'ns v. Rural Tel. Svc., 499 U.S. 340, 359 (1991). Many marks, for example, include drawings or sculptural elements.[25] Even simple drawings are

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24. "Congress shall have the power . . . To promote the progress of science and useful arts by securing for limited times to authors and inventors exclusive rights in their respective writings and discoveries." U.S. Const. Art. I. Sec. 8, cl. 8.

25. Examples are present even in the small group of leading FTDA cases. *See, e.g., Kellogg*, 209 F.3d at 564

copyrightable if independently created.

Trademark protection of copyrightable works whose copyright protection has expired has been allowed by some courts on the ground that trademark protects consumers from confusion.[26] However, relief for dilution does not require a showing of even a likelihood of confusion. *See* 15 U.S.C. § 1127 ("The term 'dilution' means the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of – . . . (2) likelihood of confusion, mistake, or deception.").

Hypothetically, therefore, allowing relief for mere "likelihood of dilution," may result in judgement for the holder of a mark which is (a) a drawing containing copyrightable subject matter, (b) which is deemed famous because it is the mark emblazoned on the locally best selling version of a very specialized product,[27] and (c) confuses no

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(cartoon drawing of tiger); *Nabisco*, 191 F.3d at 212 (goldfish shaped cracker); *Toro Co.*, 61 USPQ2d at 1165 (drawing of bull's head).

26. *See* McCarthy on Trademarks and Unfair Competition § 6.10 (3rd ed.) (providing overview of cases); *see id.* at 6-52 (focusing on confusion requirement); *see also* Latimer & Ablin, *supra* note 3, at 490 ("[T]he key distinction that allows trademarks peacefully to coexist with patents and copyrights is that trademarks . . . require[] a demonstration of consumer confusion . . . ").

27. Some courts have declared marks may be "famous" even though they are well known only in niche markets. *See, e.g., Times Mirror*, 212 F.3d at 164-65; *Syndicate*

one – even without any proof that the mark holder has suffered actual injury. Furthermore, the mark-holder may not be the "author" as defined under the Copyright Act. The protection will last until the mark is abandoned– potentially forever – in violation of the constitutional "limited times" requirement of Article I, Section 8, clause 8.[28]

Even more difficult issues arise under the Patent prong of the Copyright and Patent Clause. Trademark rights are available in product configurations, (often termed "trade dress"), which may include formerly patented subject matter,[29] or product elements unprotectable by utility or

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Sales, 192 F.3d at 641.

28. The Lanham Act rests on Congress commerce power, but the Commerce Clause may not be used to by-pass a limit in the text of another Article I power. *See* Railway Labor Executives Ass'n v. Gibbons, 455 U.S. 457, 465 (1982) (refusing to allow Commerce Clause by-pass of uniformity limit in Bankruptcy Clause). Nor may the Treaty Power be used to by-pass a textual fence blocking Congress' power. *See* Paul J. Heald & Suzanna Sherry, *Implied Limits on the Legislative Power*, 2000 Univ. of Il. L. Rev. 1119, 1181-82 (explaining). The Necessary and Proper Clause may not be used to "adopt measures which are prohibited by the Constitution" or "pass laws for the accomplishment of objects not intrusted to the government." M'Culloch v. Maryland, 17 U.S. 316, 423 (1819).

29. *See* TrafFix Devices v. Marketing Displays, 532 U.S. 23, 25-26 (2001) (trade dress infringement claim on road

design patent.[30] Even with the need to demonstrate likelihood of confusion, this Court has refused to allow trade dress in functional product configurations,[31] but has declined to provide analysis of the difficult, underlying constitutional issue.[32] The First Circuit declined to reach the limited times

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sign covered by expired utility patent).

30. *See id.* at 28 ("It is well established that trade dress can be protected under federal law," and referring to "[t]he design . . . of a product.").

31. *See id.* at 32-33. *But see In re* Mogen David Wine Corp., 372 F.2d 539, 545-46 (CCPA 1967) (Smith, J., concurring) (arguing that likelihood of confusion would allow trade dress protection for wine bottle while, or after, it was protected by design patent).

32. *See TrafFix,* 532 U.S. at 34 (reserving constitutional issue). *But see* Compco Corp. v. Day-Brite Lighting, Co., 376 U.S. 234, 234-35 (1964)(holding state law could not prevent competitor from marketing look-alike product in suit over lighting fixture which had been refused a utility patent and whose design patent had been held invalid); Sears, Roebuck & Co., v. Stiffel Co., 376 U.S. 225, 226 (1964) (holding state law could not prevent competitor from marketing look-alike product in suit over lighting fixture whose utility and design patents had both been held invalid for want of invention); Kellogg Co. v. National Biscuit Co., 305 U.S. 111 (1938) (refusing to allow enforcement of either famous word mark or famous product configuration mark after expiration of patents).

issue regarding alleged dilution of a faucet because the design was held not to be famous.[33] If this Court approves FTDA relief whenever dilution is merely likely, the constitutional issue of permanent protection for product configurations will arise in a much larger number of cases.

In summary, dilution protection raises the same "limited times" constitutional problem as does trademark infringement, but dilution does not allow the same confusion-based partial solution. Reading the FTDA to require only a likelihood of dilution will increase the number of instances in which a court will have to decide whether the FTDA as applied violates the "limited times" provision of the Copyright and Patent Clause.

CONCLUSION

The plain meaning of the FTDA requires actual dilution. The plain meaning is supported by two rules of statutory construction. First, the rule that statutes should be read to prevent raising doubts of their constitutionality. Second, the rule that, unless Congress has spoken with extreme clarity, statutes should not be read to approach the limits of Congress' power. Removing the actual harm element of the FTDA would unnecessarily multiply constitutional issues under both the First Amendment and the Copyright and Patent Clause.

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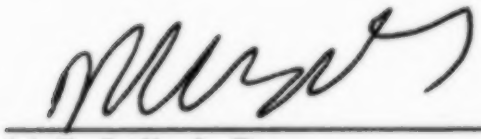
33. *See I.P. Lund*, 163 F.3d at 33, 35, 50, 51.

For all these reasons, this Court should hold that "causes dilution" means what it says — a party demanding FTDA relief must prove actual dilution-harm.

Respectfully submitted,
June 24, 2002



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